

**LIMITED-SOURCES JUSTIFICATION
FEDERAL SUPPLY SCHEDULE
FAR SUBPART 8.405-6
(NOTE: No fields should be left blank)**

I recommend the use of limited sources procedures for the acquisition of the following supplies or services available under Federal Supply Schedules (FSS). This acquisition is conducted under the authority of the Multiple Award Schedule (MAS) Program--Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251, et seq.) and Title 40 U.S.C. 501, Services for Executive Agencies.

1. IDENTIFICATION OF THE AGENCY AND THE CONTRACTING ACTIVITY:
U.S. Department of the Treasury, Internal Revenue Service, Office of Treasury Procurement Services, Troubled Asset Relief Program Branch

2. NATURE AND/OR DESCRIPTION OF THE ACTION BEING APPROVED:
This requirement is being conducted under the Logical Follow-On Authority for Small Business Credit Initiative (SSBCI) contractor support. GSA Delivery Order. Time and Materials. POP: November 7, 2014 thru September 30, 2017

3. DESCRIPTION OF SUPPLIES OR SERVICES AVAILABLE FROM FSS

Purchase of: On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 (the "Act"). The Act created the State Small Business Credit Initiative (SSBCI) which was funded with \$1.5 billion to strengthen state programs that support lending to small businesses and small manufacturers. The goal of this program is to use a limited amount of public resources to jump-start 10 times that amount in private sector capital for small businesses. Treasury awarded allocations to 57 States. The term "States" refers to all states, territories, the District of Columbia and municipalities approved to participate in SSBCI. SSBCI provides program support for 150 lending and venture capital programs developed by the 57 State participants. FMS resources assist SSBCI with that effort.

The SSBCI is a one-time program of limited duration. The authorities and duties of the Department of the Treasury to implement and administer the program terminate on September 27, 2017. Since SSBCI is a temporary program it relies on non-permanent, term limited government staff. In addition, SSBCI uses Federal Management Services (FMS) to provide support through contract/order number T11BPA002 in the areas of technical and compliance management support services to the 57 SSBCI State programs.

Period of Performance: SSBCI would like to issue a new logical follow-on contract task orders to FMS for a performance period from November 7, 2014 thru September 30, 2017 (SSBCI's sunset date) per the following:

- Base Period, effective November 7, 2014 – November 6, 2015,
- Option Period 1, effective November 7, 2015 – November 6, 2016,
- Option Period 2, effective November 7, 2016 – September 30, 2017,

4. REQUISITION NO. 15PR-TDP-0034	5. NAME(S) OF PROPOSED FSS SOURCE(S) Federal Management Systems, Inc.
6. COST ESTIMATE Funds required for the period of performance from November 7, 2014 thru September 30, 2017 for FMS is: Base Period: \$ Option Period 1: \$ Option Period 2: \$ Total: \$	462 K St, NW Washington, DC 20001 General Services Administration (GSA) Federal Supply Schedules 520 Financial and Business Solutions (FABS), in particular 520 22 – Grants Management and Support Services, Contract Number GS23F0052T.


REQUIREMENT OFFICE CERTIFICATION

I certify that the attached justification is accurate, and complete to support the recommendation for limited sources justification and approval.

7. TECHNICAL/REQUIREMENT PERSONNEL (Name & Title)	(Signature)	(Phone No.)	(Date)
Cliff Kellogg, Director SSBCI		202-622-8917	8/19/14

SMALL BUSINESS CERTIFICATION

I have conducted a search of vendor files from GSA Advantage/Schedules e-Library, etc., to locate potential FSS small businesses for this procurement. If any were found, a list is attached.

8. SMALL BUSINESS SPECIALIST (Name and Title)	(Signature)	(Phone No.)	(Date)
LaTonya Richardson, Small Business Specialist	 Digitally signed by LLGLB DN: cn=LLGLB, email=Latonya.D.Richardson@i rs.gov Date: 2014.08.26 16:06:46 -04'00'	240/613-8311	

PROCUREMENT OFFICE CERTIFICATION

I certify that this submission is accurate, and complete to the best of my knowledge and belief. This certification will serve as approval, unless action exceeds \$650K.

9. ASSIGNED CONTRACTING OFFICER (Name) Steven Gordon	(Signature) 	(Phone No.) 240-613-8138	(Date) 8/21/14
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10. FEDERAL ACQUISITION REGULATION 8.405-6

TITLE III OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 (41 U.S.C. 251, ET SEQ.) AND TITLE 40 U.S.C. 501 Just check applicable block – See FAR for the description of the authority, application and limitations for its use.

(place "X" in appropriate box and complete rest of form)

<input type="checkbox"/>	FAR 8.405-6(a)(1)(i)(A) – An urgent and compelling need exists, and following the procedures would result in unacceptable delays.
<input type="checkbox"/>	FAR 8.405-6(a)(1)(i)(B) – Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.
<input checked="" type="checkbox"/>	FAR 8.405-6(a)(1)(i)(C) – In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited-sources procedures.
<input type="checkbox"/>	FAR 8.405-6(b)(1) -- The item is peculiar to one manufacturer (e.g., a particular brand name, product, or a feature of a product, peculiar to one manufacturer). A brand name item, whether available on one or more schedule contracts, is an item peculiar to one manufacturer.

11. JUSTIFICATION

A. DEMONSTRATION THAT THE PROPOSED FSS CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED.

SSBCI is a small, non-permanent office with a highly specialized and dynamic mission. The enacting legislation that created SSBCI, the Small Business Jobs Act of 2010 ("The Act") funded the program with \$1.5 billion to strengthen state programs that support private financing to small businesses and manufacturers. The authorities and duties of the Treasury Department to implement and administer SSBCI terminate on September 27, 2017. The obligations of participating states, municipalities, and territories to perform and report on progress will expire as outlined in the terms of each State's Allocation Agreement. Allocations between Treasury and the participating States will expire on March 31, 2017.

Now through 2017 is a critical period for the SSBCI to complete its final program modifications, disbursements, and data reporting. In addition, during the last 18 months of the program SSBCI will prepare its final program report and wind-down. FMS is in the middle of providing program support to SSBCI for several key projects related to these efforts, including:

- Data support for the Act's SSBCI program reporting requirements (ongoing through September 2017)
- Assistance with SSBCI's program modification process as States transfer allocations between programs or start new programs in an effort to expand small business investing in local communities (ongoing through December 31, 2016)
- Support for annual reviews of States' loan and investment programs to ensure compliance with SSBCI guidelines (ongoing through June 2017)
- Assist Treasury with second disbursement reviews of States' compliance with SSBCI program guidelines (ongoing through June 30, 2015)
- Assist Treasury with third disbursement reviews of States' compliance with SSBCI program guidelines, as well as compliance with OMB Circular A-87 for Administrative Expenses (on-going through March 2015)

31, 2017).

- Program wind-down – SSBCI has experienced an employee turnover rate in excess of 30% in the past year due to term appointments ending or key staff leaving for permanent government job opportunities. SSBCI expects this trend to continue and anticipates using knowledgeable FMS contractors to assist SSBCI staff with on-going projects to ensure seamless support to State program participants.

- The Act requires States to submit completed reports due March 31, 2017. The remaining SSBCI term staff will work with knowledgeable FMS contractors to ensure compliance with this requirement.

The services under this BPA are complex in nature. In order to successfully support the projects listed above, SSBCI requires the use of contractor resources with the following specialized technical skills:

- Reviewing state governmental entities to ensure compliance with SSBCI policy and guidelines,
- Reviewing state governmental entities' administrative program costs to ensure compliance with OMB Circular A-87
- Conducting conflict of interest compliance reviews
- Knowledge of SBA's small business loan requirements and ability to apply that knowledge
- Experience developing venture capital program parameters within SSBCI guidelines
- Knowledge of Collateral Support lending programs
- Knowledge of Loan guarantee programs
- Knowledge of Loan participation programs
- Knowledge of Capital access programs

SSBCI supports over 150 different small business lending and investment programs across the 57 State participants. SSBCI has a small staff; therefore FMS contractors have worked with virtually every State program and participant. SSBCI estimates that it would take a new contractor approximately a year to get up to speed on the marketing strategies and compliance requirements for 150 different State programs. In addition, Treasury staff would have to expend additional time and resources during this transition period to on-board new contractors, obtain new equipment and clearances, and determine new SME subcontractor arrangements. Since the SSBCI program is scheduled to end in September 2017, per the statute, a new contractor would not provide timely or effective support until the program's wind-down period. In summary, the justification for using FMS for the remainder of the SSBCI program includes the following:

- FMS and its subcontractors are in the middle of working on the projects listed above, plus several key SSBCI initiatives with subcontractors, including: State program desk reviews; documentation support for SSBCI Compliance's policies and procedures; upgrades to SSBCI's Reporting system database of small business loan and investment program activity; venture capital program and banking industry support for State programs.

- SSBCI is a small, non-permanent group and therefore requires the use of knowledgeable contractors to provide assistance with key processes within the organization.

- FMS has resources with the specialized technical skills and experience to support complex compliance reviews and provide other program support to the 57 SSBCI State participants.

- SSBCI has resource constraints that require the use of skilled contractors to provide program support.

SSBCI anticipates these needs will become more compelling and urgent as this non-permanent department begins to lose staff as the SSBCI program winds down during 2016 and into 2017.

- SSBCI is very satisfied with FMS' work to date.

Under the original competition for the first order the initial RFQ that was the basis for FMS's BPA award was issued on a competitive basis to GSA Schedule holders. The RFQ cover letter stated the following:

"Pursuant to Federal Acquisition Regulation Part 8, this is a RFQ issued to three or more GSA schedule contractors."

Proposals from two contractors were received. FMS was ultimately granted this a single award blanket purchase agreement (BPA) after competing against other GSA schedule contractors.

FMS's unique qualifications include:

- FMS has been with SSBCI since it began operations and therefore possesses the specialized experience required to assist with the compliance and data support needs of the 57 SSBCI State participants. In addition, FMS subcontractors provide critical technical assistance to the program.
- SSBCI is a non-permanent program which relies on temporary government staff and contractor resources to support its critical mission. Since the program expires in September 2017, acquiring and training a new contractor would be costly to Treasury and could cause delays and disruptions to the compliance and other support to State participants provided by SSBCI staff and FMS contractors.
- SSBCI has already begun winding down term staff beginning Summer of 2014 by not renewing term appointments. The office will continue to face high turnover of key staff during 2015 and 2016 since many non-permanent government staff will be at the end of their terms at this time. Other staff will likely seek opportunities elsewhere as the program unwinds. This critical risk would be mitigated through the use of FMS's skilled resources with significant and historical SSBCI program experience to provide support to SSBCI State program participants. The institutional knowledge provided by FMS's contractors will be critical to SSBCI as the program winds down.
- SSBCI uses FMS to assist with critical operational support for over 150 small business lending and venture capital programs across 57 different State programs. Participating State programs use funds disbursed in accordance with SSBCI guidelines to provide loans, credit guarantees or venture capital investments to small businesses in need of cash to grow and create jobs. Delays or disruptions in contractor support for the SSBCI program could result in delayed program reporting to OIG and congress, as well as program modification requests and disbursement funding to these States.

Ending the contract in November 2014 when the current BPA expires would be disruptive to the 57 States participating in the program. FMS is currently assisting SSBCI with several key efforts, including: SSBCI fund disbursements to the States; program outreach, and enhancements to the program database used to report final small business loan and investment activity results. These efforts will continue through 2015. After that point, SSBCI will engage in activities related to the fund's wind down in 2017 in accordance with the Small Business Jobs Act of 2010.

B. DETERMINATION BY OTHE ORDERING ACTIVITY CONTRACTING OFFICER THAT THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH 8.404(d).

FMS' rates and overall price are anticipated to be fair and reasonable. FMS contract rates have been negotiated by GSA. The agency will seek discounts and/or continually monitor the labor mix against current work requirements in order to obtain the most favorable possible pricing. In addition, the government would incur additional costs (i.e. a duplication of costs) to train a new contractor to provide program support for the

SSBCI program which expires in September 2017.

C. DESCRIBE THE MARKET RESEARCH THAT WAS CONDUCTED, OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED, AND THE RESULTS OF THE RESEARCH (E.G., SEARCH ON E-LIBRARY AT [HTTP://WWW.GSA.GOV/FSS](http://www.gsa.gov/fss); HISTORICAL ORDERING INFORMATION, FEDBIZOPPS SYNOPSIS). SYNOPSIS IS NOT REQUIRED FOR FSS PROCUREMENTS, BUT MAY BE USED. ALSO, LIST ANY FSS SOURCES THAT EXPRESSED AN INTEREST IN WRITING IN THE ORDER AND THE RESULTS OF THAT INTEREST.

After researching the firms on gsa.gov that had previous SSBCI program experience, SSBCI determined that FMS's potential competitors for this contract would be the professional financial services contracting firms . Both of these firms have sufficient skilled resources, have a presence in the Washington, D.C. area, and are also knowledgeable about at least some of SSBCI's 150 State programs.

is a 400 employee contracting firm based in the Washington, DC region. However, it is not a viable candidate due to organizational conflict of interest (COI) concerns. provides support to SSBCI's reporting database through an IAA contracting arrangement with Treasury's CDFI fund. SSBCI requires a contractor to assist with data validation analyses on States' program performance results submitted thru the SSBCI Reporting System database. It would therefore be a COI for to support SSBCI's database and conduct data validations on data submitted through the database per the requirements of this BPA.

is a large contractor with over 184,000 employees world-wide. However, would be conflicted out of conducting a large portion of the work SSBCI requires in 2014 and beyond. has been engaged as a subcontractor under FMS to provide an internal review of SSBCI's controls, including the group's policies, procedures and overall compliance structure.

FMS has knowledge and experience with SSBCI's programs, and offers its services at a competitive rate. As a result, using FMS as a logical follow-on to its current BPA with SSBCI offers the government the best value for the work SSBCI needs to accomplish through 2017. Interrupting SSBCI's current projects to bid the contract out in fall 2014 would be disruptive to the 57 SSBCI State program participants that FMS provides assistance due to the learning curve required for a new contractor to get up to speed with the program's requirements. SSBCI is a temporary program with a termination date of September 2017. Therefore the group has limited timeframe to complete its goal of disbursing funds to State agencies and tracking those States' compliance with program guidelines.

D. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The statement of work, independent government estimate, and acquisition plan support the justification.

E. LIST THE ACTIONS THE BUREAU WILL TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITIONS FOR SIMILAR SUPPLIES OR SERVICES.

The SSBCI program expires in September 2017 so there will be no future need for future support for this program. However, Treasury will encourage FMS to subcontract work, where possible, consistent with its GSA Schedule level subcontracting plan. Subcontracting will broaden the capability and experience of other contractors thus increasing the level of competition for agency acquisitions in general.

F. STATEMENT THAT REQUIREMENT DOES NOT RESULT FROM A LACK OF PLANNING OR THE EXPIRATION OF FUNDS.

This requirement does not result from a lack of planning or the expiration of funds or the expiration of funds. The Program Office was aware of the requirement as directed in The Act signed in September 2010. The requirement was submitted in time to meet the requirements of The Act.

12. ADDITIONAL APPROVALS				
OVER \$650K	BUREAU COMPETITION ADVOCATE (Name & Title) CHRISTOPHER B. RODGERS Director, Strategic Acquisition Initiatives	<input checked="" type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature) Chris Rodgers <small>Digitally signed by Chris Rodgers DN: cn=Chris Rodgers, o=SAI, ou=Procurement, email=chris.b.rodgers@irs.gov, c=US Date: 2014.08.28 07:02:32 -04'00'</small>	(Phone No.) 240-613-8319
				(Date)
OVER \$12.5M	HEAD OF THE CONTRACTING ACTIVITY (Name & Title)	<input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature)	(Phone No.)
				(Date)
OVER \$62.5M	SENIOR PROCUREMENT EXECUTIVE (Name & Title)	<input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature)	(Phone No.)
				(Date)
NOTE: Each review must be preceded by lower level approval(s), e.g., over \$62.5 million all approvals are required. IN NO CASE WILL AN INDIVIDUAL SIGN MORE THAN ONE APPROVAL LEVEL.				

CONTROL NO. FSS 2014-45